

Bently Nevada's core values



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For over four decades, Bently Nevada has built the highest quality products that meet the real needs of our customers. We are very proud of this reputation, and it's tempting to conclude that our *products* are the sole reason for our success. I'd like to suggest, however, that there is more to success than just building good products. In their book, *Built to Last*, James Collins and Jerry Porras talk about something they call "core values" and their importance to the success of an organization. In fact, they go so far as to suggest that "...the key is not *what* core values an organization has, but that it *has* core values." I'll put it another way: *if you don't stand for something, you'll fall for anything*. That's really what core values are all about – they articulate what the organization stands for, what it intrinsically holds to be important. This will differ from company to company, as it should. What is important, however, is that a company be able to communicate to its employees and customers what values it considers important, and these values become an integral part of the company's culture.

In their book, Collins and Porras compare the differences between com-

The core values embodied in our Credo might be a competitive advantage, but that is not why we have them. We have them because they define for us what we stand for, and we should hold them even if they become a competitive disadvantage in certain situations.

Ralph Larson, CEO,
Johnson & Johnson, 1995.

panies that have core values and those that do not. The differences are startling – I encourage you to read their book for excellent insights into what makes a strong, lasting company.

Does Bently Nevada have core values? Absolutely. You'll find them on the next page. They are prominently displayed throughout every Bently Nevada office worldwide...I have personally insisted upon this because I believe that a strong corporate culture, which embraces these core values, is essential to our ongoing ability to provide products that help you protect and manage your machinery. Our principle-centered corporate culture has been, and will continue to be, as important as our products and services in building our company.

You see, *how* we do things at Bently Nevada is just as important as *what* we do. That's what our core values are all about – ensuring we do the right things, in the right way, for the right reasons. I'd like to elaborate a bit more on each of our five core values, and show you

examples of how they are implemented in Bently Nevada's day-to-day activities.

It is consistency of principle...that gives us direction...[Certain principles] have been characteristics of Procter & Gamble ever since our founding in 1837. While Procter & Gamble is oriented to progress and growth, it is vital that employees understand that the company is not only concerned with results, but how the results are obtained.

Ed Harness, former president,
Procter & Gamble, 1971.

Care of our customers

The primary interface with our customers is our salespeople. We instill in them that their fundamental mission is to take excellent care of you, our customers. One of the ways we do so is by demanding quality and consistency in the way we *sell* and *market* our products, just as we demand this of our products. This is accomplished via an intensive 10-week training program that all salespeople must complete when they first join Bently Nevada.

This training covers far more than just the technical aspects of our products and our business. It also covers a 4-step process: how we relate to, discover the needs of, advocate solutions for, and support you. You'll notice that this 4-step process starts with relating to you – building trust and credibility. Part of

this trust is gained by ensuring the competence of our people. You'll also notice that most of our salespeople are degreed engineers in electrical or mechanical disciplines. That's because we want them to have the core knowledge to be able to apply our products correctly, every time.

While we can teach technical knowledge to ensure competence, it is harder, of course, to teach people to *care*...to be passionate about the level of service they provide. Our culture creates an environment where everyone knows the customer comes first. Those who don't understand and practice this don't last very long. Our culture simply doesn't permit it.

If you're not willing to do whatever it takes to make a customer happy – to personally deliver a suit to his hotel room, get down on your knees to fit a shoe, force yourself to smile when a customer is a real jerk – then you just don't belong here, period.

Jim Nordstrom, co-chairman,
Nordstrom Department Stores, 1992.

Business honesty and integrity

One of the ways we demonstrate our integrity as a company is to only sell what's right and to refuse orders if the products are not going to be used correctly. As I noted above, we first ensure that our people have the training to know and understand the correct application of our products. Then, they must have the backbone to stand by their convictions, even if that means they lose the order. I set this example long ago when a customer pressured us to sell a product that I knew would be misapplied. My response is in this excerpt from a 1971 letter to that customer:

“Bently Nevada Corporation does not solicit purchase orders just for the profit therefrom. If the application of the goods purchased is non-useful or harmful, we refuse the business.”

Another characteristic of Bently Nevada Corporation is that we have one set of standards for conduct and ethics that applies worldwide. We refuse to have any part of bribes or dishonesty, even though this is “condoned” in some of the countries where we conduct business. (Although I have

to chuckle at some of the exorbitant “taxes” or “fees” we pay in certain countries just to maintain an office there...it's all perfectly legal, but it sure feels like somebody is getting something they're not entitled to.) Yes, it

I don't care about industry practices...tell them the truth, first because it is the right thing to do and second they'll find out anyway.

Paul Galvin, founder,
Motorola, 1935.

Donald E. Bently, Chairman and Chief Executive Officer, is pleased to share a statement of the Company's core values. Core values are different from vision statements and strategic objectives. Core values are an organization's essential and enduring beliefs; a set of guiding principles so fundamental they are seldom, if ever changed.

Core Values

- ✓ Care of our customers
- ✓ Business honesty and integrity
- ✓ The strength of our people
- ✓ Enlightened use of resources
- ✓ Profitability

Operating Principles

The Company takes excellent care of its global customers by providing the right solutions to their business problems based on engineering principles. Through this process we provide safe, reliable, high quality products of lasting value and unequalled service.

The people of Bently Nevada Corporation will demonstrate honesty and integrity in all aspects of business.

Since people are the source of our strength, we provide:

- A safe corporate environment that champions professional growth.
- Employment opportunities that enable personal contribution and reward.

The conservation of resources directs that the Company:

- Efficiently use renewable resources and avoid the waste of natural resources.
- Conservatively use corporate resources to provide the best overall win for our customers, our Company, our employees, and our environment.

Profitability ensures the autonomy necessary to continually improve our ability to serve our customers and be the leaders in our industry.

Bently Nevada's core values.

means we may lose business occasionally. As I noted earlier, however, we are just as interested in *how* we achieve results as we are in the results themselves.

The strength of our people

We are very proud that we don't approach our human resources at Bently Nevada with a "commodity" mentality, constantly increasing and then decreasing the size of our workforce just to keep short-term profits maximized. We have a long-term perspective, staff conservatively, and invest in training our employees. When jobs become obsolete, due to changes in technology, we retrain people whenever possible, so they can fill new positions.

That's also why we place such significant emphasis on, and help our employees with, continuing education – as our people increase their skills and knowledge, they can contribute more to the Company. Many of our people have obtained four-year degrees while working for us and have been able to progress to roles of increased responsibility. It's a win/win situation.

There was a great deal of talk about the sequence of the 3 P's – people, products, and profits. It was decided that people should absolutely come first.

Don Peterson, former CEO,
Ford Motor Co., 1990.

I'm also reminded of the changes, over 20 years ago, when we implemented Materials Resource Planning II (MRP) and numerous innovations in manufacturing and computerized testing. We realized that we could manufacture and test our products more efficiently with fewer people. We retrained and reasigned many of these people in service

capacities – the people themselves grew, and our customers benefited.

Enlightened use of resources

Waste is always discouraged at Bently Nevada. Whether it relates to the use of time or the use of materials, our culture demands that we use everything with the awareness that resources are limited and should be conserved wherever possible. Even before it was "fashionable," Bently Nevada has always believed in the 3 R's: reduce, reuse, and recycle. As an example, for many years we have shipped packaging back to our vendors to reduce the amount going to landfills. We also support a recycling program at our Minden location, as curbside recycling is not available in the areas where most of our employees live. Thousands of pounds of glass, plastics, newspapers, computer paper, cardboard, and aluminum have been recycled.

On a personal level, I have also established a new company, Bently Biodynamics, which makes compost from manure, green waste (such as lawn clippings), biosolids from the county sewer improvement district, and scrap wood from local refuse companies.

Note: For an interesting case history on one of the machines used at Bently Biodynamics, see the article on page 7.

Another way we use resources wisely is through customer partnerships. If you think about it, customers are one of your most precious resources. Customers can impart knowledge about their businesses, their competitive environments, and their needs. Customers can *teach* you things you can never teach yourself. In so doing, they help Bently Nevada develop better products and services. To not pay attention to these key customers is to waste an important resource. That's why Bently

Nevada maintains working partnerships and alliances with numerous leading companies.

Profitability

Bently Nevada has been profitable every year since its inception. Did we set out with this as our primary goal? No. We recognized that profits are absolutely essential if we are to exercise our other core values – without profits, the Company eventually ceases to exist. So, we continue to strive to do the right things and respond to the needs of our customers – the profits that follow are just one of the feedback mechanisms that tell us if we are on the right track.

Profit is not the proper end and aim of management – it is what makes all of the proper ends and aims possible.

David Packard, co-founder,
Hewlett-Packard, 1958.

Summary

Today, Bently Nevada employs over 1600 people and has offices in over forty countries. We enjoy a leadership role that is recognized globally. Some might call this the result of "good luck," but I believe successful companies occur by design, not by accident. That's why these core values affect every part of our company and are so vital to our ongoing success. Rest assured that, while our products and services will continue to evolve, the principles that have made us strong will endure. ☺

References

1. James C. Collins and Jerry I. Porras, *Built to Last – Successful Habits of Visionary Companies*, published by Harper Business, a division of Harper-Collins Publishers, 1994, 1997, ISBN: 0-88730-739-6.